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700	Frank Press and Zbigniew Brzezinski to Pres. Carter, 73 pp.	1/3/78	A

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THE PRESIDENT'S SCHEDULE

Thursday - January 12, 1978

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

10:30 Meeting with Black Leadership. (Ms. Bunny Mitchell).
(60 min.) The Cabinet Room.

2:30 News Conference. (Mr. Jody Powell).
(30 min.) Room 450, OEOB.

THE PRESIDENT HAS SEEN.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

C

January 12, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr. *Jim*
SUBJECT: FY 1979 Budget Highlights

Attached is a listing of highlights of the FY 1979 Budget which has been prepared for use in forthcoming briefings.

A copy of this list has been provided to Stu Eizenstat.

Attachment

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4

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The 1979 Budget

The budget as a whole

- Outlays for 1979 are
 - ° 8 percent above 1978, the smallest increase since 1973.
 - ° 22 percent of GNP compared to 22.6% in 1978.
- Receipts are
 - ° up almost 10 percent above 1978.
 - ° 19.3 percent of GNP compared to 19.6 percent in 1978.
- The deficit declines only slightly, but
 - ° The decline would have been \$15 to \$20 billion if there were no tax cut.
 - ° The tax cut is more important.
 - ° With careful policy of restraint, deficit was held with a tax cut.
- A budget surplus is projected for 1981.
 - ° This surplus depends directly on economic performance in the next several years.
 - ° If economic performance does not meet our goals, then a surplus may not be attained.
 - ° We cannot make a firm commitment on how we will relate the need for further tax cuts or other initiatives to the need for a balanced budget.

The budget process

- The 1979 budget is the product of ZBB, the first of several improvements planned in the budget process, including the institution of multi-year budget planning and a system of control over credit programs.

Tax changes

- A large tax reduction totalling \$25 billion is proposed for 1979.
- The economic stimulus from this reduction will insure that real economic growth in 1979 is close to 5 percent and that continued reductions in the unemployment rate occur.

- The tax reforms proposed will be a major step toward the improvement of the tax system which is so important.
- As a result of the changes in rates, 6 million taxpayers will no longer have Federal income tax liabilities.
- As a result of reform, the proportion of returns itemizing deductions will decline by over a quarter.

National Defense

- Federal employment:
 - ° Military manpower declines by 20,000 (1%) reflecting reductions in headquarters and overhead activities.
 - ° Civilian manpower declines from 912,000 to 905,000.
- 18 percent real growth in Army equipment and some real growth in tactical aircraft programs will increase employment levels in related industries.
- 3 percent real growth in research and development will broaden the technology base and permit program growth.
- 3 percent real growth in defense outlays between 1978 and 1979, as agreed at last spring's summit meeting, with our NATO allies.

International Affairs

- Direct loan authorizations of the Export-Import Bank are estimated to about quadruple in 1978 over 1977 and to rise by more than 25 percent further in 1979. This demonstrates the Administration's intention to assure that the United States can meet specific instances of foreign competition and to deal with U.S. balance-of-payments problems.
- Foreign aid levels will rise by 43 percent in budget authority terms demonstrating Administration concern with the plight of poor people abroad, including black Africa.

General Science and Space

- \$3.6 billion for total Federal support of basic research -- an increase of about \$360 million or almost 11 percent in current dollars and 5 percent in real growth (after inflation).
- Funding is requested for a 4-orbiter space shuttle initial operational fleet -- as compared with a 5-orbiter fleet proposed last year. \$1.4 billion in NASA budget authority is provided for continued development of the space shuttle, which

is planned to be operational from launch and landing facilities on both the East and West coasts by June 1983 (NASA).

- \$104 million for climate-related studies in eight Federal agencies -- an increase of \$28 million or 38 percent above the FY 1978 level. A coordinated interagency effort is planned to seek increased scientific understanding of variations in the climate and how such variations may affect crop production and energy use (principally NOAA, NASA, NSF, DOD, and USDA).

Energy

- Commercial nuclear waste management program outlays increase by 29 percent to assure demonstration of acceptable disposal of radioactive waste at the earliest possible date (1985).
- Research and Development outlays on solar photovoltaics increase by \$28 million, a 62 percent increase over the FY 1978 appropriation as enacted.
- Provides for initiation of a \$425 million solvent refined coal demonstration plant to produce clean fuels from coal.
- Increases by 48% funding for longer-term research on fossil technologies that could bring major economic or environmental breakthroughs in coal conversion to oil and gas, coal combustion and oil shale technologies.
- An increase of more than 180% in outlays for energy conservation grants to States, emphasizing energy-saving improvements for schools, hospitals, and the homes of low-income individuals.
- An increase of nearly 35% in outlays for energy conservation R&D.
- Full funding of more than \$4 billion to store the first 500 million barrels of crude oil in the Strategic Petroleum Reserve.
- New Thrusts or Changes:
 - ° Proposes to raise the price of uranium enrichment to return to the taxpayers a fair value for their investments in constructing and operating uranium enrichment facilities.
 - ° The FY 1979 Budget provides funds to begin construction of facilities to expand the Strategic Petroleum Reserve by 250 million barrels beyond the first 500 million barrels.

- ° Nuclear Regulatory Commission initiatives to increase inspection of nuclear reactors to further assure their safety and to propose legislation that will shorten the time required to license a nuclear power plant.

Natural Resources

- The 1979 Budget includes funds for a major new conservation initiative which is designed to protect our natural and cultural heritage. It uses grant funds in the existing Land and Water Conservation Fund, which increases about 20 percent from the fiscal 1978 level, and the Historic Preservation Fund, which is about 30 percent greater than the level requested in the last fiscal year. These funds will be available for States to inventory historic-cultural and natural (wild, ecological, scenic, geological) resources and to nominate such properties to either the existing National Register of Historic Places or a new National Register of Natural Places.

Environment

- In 1979, there will be an 11% increase over 1978 in outlays for Federal environmental programs.
- There will be an increase of 13% in budget authority for EPA's operating programs and over a 6% increase in EPA personnel when compared to FY 1978 levels.
- Construction Grants
 - ° The 1979 appropriation for municipal waste treatment grants will be continued at the requested 1978 level of \$4.5 billion.
 - ° Under an interagency agreement with the Environmental Protection Agency, the Corps of Engineers will supervise the construction of all EPA sewage treatment plant projects. Over \$24 million has been provided in the FY 1979 Budget to fully implement this program. The Corps' presence and experience in construction management will enhance both the technical and fiscal integrity of the program in protecting nearly \$5 billion in Federal funds that are outlayed annually. The Corps will provide 600 person-years of effort, which is the minimum estimated level of resources that would be required for the Corps to undertake this mission in an effective manner, according to EPA and Corps zero-based budgeting estimates.

- In order to bring all Federal facilities into compliance with Federal environmental standards, sufficient funding has been provided in the FY 1979 Budget to construct all projects proposed by agencies that have facilities identified as out-of-compliance. These funds are needed for pollution control equipment and structures that are necessary to meet Federal requirements. There will be an increase of 20% in budget authority in 1979 over 1978 in this area.

Agriculture

- Business Loans - In addition to its other rural loan and grant programs, the Farmers Home Administration conducts a business loan guarantee program in communities of less than 50,000 population in non-SMSA areas. The interest rate is determined by the borrower and lender and the Federal guarantee covers up to 90% of the loan. Loans range in size from less than \$100,000 for a store to over \$10 million for manufacturing plants. The 1979 budget provides a 10% increase in total loan level.
- Rural Housing Loans and Grants - Rural housing loans and grants are provided by FmHA in rural communities of less than 20,000 population for single family housing, rental housing, and repair and rehabilitation, including housing for farm labor. FmHA recently implemented a rental assistance program for very low-income families and will shortly propose legislation for a special home ownership assistance program for very low-income families. Loan repayment terms currently range from approximately market interest rates for moderate income families to a 1% interest rate for low-income families. The 1979 budget provides about an 8% increase in total loan and grant assistance.
- Emergency Loans for Farmers - FmHA also provides disaster loan assistance to farmers and ranchers in areas designated by the President and/or the Secretary of Agriculture where significant agricultural losses occurred as a result of adverse weather conditions. Loan repayment terms currently provide for a 3% interest rate for actual loss loans and for an 8% interest rate on other emergency loans. As a result of the major drought last year, over 2,000 counties were designated as eligible for emergency loan assistance resulting in the highest loan levels in the history of the program. The 1979 budget projects a more normal loan requirement at about one-half of the previous year levels.
- Community Facility Loans and Grants - Water and waste disposal and community facility loans along with matching grants are available at 5% interest to rural communities of less than 10,000 population. Grant assistance is targeted to lower income communities. Community facilities encompass health

care, fire and rescue, general purpose community buildings, etc. Nonprofit associations as well as public bodies are eligible for assistance under these programs. The 1979 budget provides about a 5% increase in total loan and grant assistance.

Education, Training, Employment and Social Services

- Substantial increases (over 15% from 1978) are requested for elementary and secondary education grants to States and local education agencies to primarily improve basic skills (especially reading) of low-income/low-achieving children.
- Funding will increase by over 50% to assist State and local education agencies meet the excess costs to educate handicapped children.
- Outlays for Head Start will rise in 1979 by more than 10% to expand child development activities for disadvantaged preschool children.
- The Administration will develop proposals on relieving the cost burden of higher education for middle- and upper-income families. These proposals will be a more effective alternative to the tax credit approach considered last year by the Congress. The cost is covered by the allowance for contingencies.
- Budget authority of \$8 million is requested to increase the number of minorities and women in graduate education programs.
- Increases are provided in higher education student assistance programs, including the Basic Opportunity Grants program.
- The budget supports continuation of 725,000 public service jobs in 1979.
- A new initiative is proposed for 1979 that will help redirect CETA employment and training activity toward permanent private sector employment by increasing the involvement of industry (business and labor) in the design of training and by increasing the resources available for training and private sector job development.
- Employment and training programs will be targeted more closely on the economically disadvantaged and unemployed in the 1979 reauthorization of the Comprehensive Employment and Training Act.

- Outlays for all employment and training authorized under CETA will increase almost 20% over 1978. Compared to 1976, the 1979 budget calls for an increase of 125%.
- Preliminary measures needed to prepare for the employment part of welfare reform will begin in 1979: (a) CETA prime sponsors will receive grants to develop local implementation designs with community organizations, the employment service, and others (\$50 million); and (b) large scale pilot programs will begin to test the administrative systems to support the programs (\$200 million).
- The budget substantially expands training and employment opportunities for youth who suffer the highest levels of unemployment. Direct outlays for youth under CETA in 1978 will be 149% above 1976; in 1979, 260% above 1976.

This expansion includes a doubling of the Job Corps program and a billion-dollar set of demonstration programs started in 1978.

	<u>76</u>	<u>77</u>	<u>78</u>	<u>79</u>
Outlays (M)	640	821	1,567	2,303

- The budget proposes to reduce the Federal Unemployment Tax rate from 0.7% to 0.5% of the first \$6,000 in wages paid an employee. The rate reduction would be effective January 1, 1979, and would reduce employer tax liability by \$0.8 billion in calendar 1979.
- The Employment Standards Administration will have a 10% increase in 1979 over 1978. These additional resources will be used primarily to strengthen enforcement of the Fair Labor Standards Act and Farm Labor Contractor Registration Act and to help curtail the illegal hiring of undocumented workers at sub-minimum wages.
- The Budget proposes an increase for the Equal Employment Opportunity Commission of more than 40% in 1979 over 1978. These additional resources will enable the EEOC to complete an internal reorganization; implement new enforcement procedures; and increase the role of State and Local Fair Employment Practice agencies in the handling of employment discrimination cases.
- The Budget proposes a 15% increase over fiscal year 1978 outlays of \$308 million to \$333.4 million for occupational safety and health agencies (NIOSH, OSHA, Mine Safety and Health Administration, Occupational Safety and Health Review Commission and Federal Mine Safety and Health Review Commission). Included are:

- ° a major increase of 560 new permanent personnel to implement the Federal Mine Safety and Health Amendments Act of 1977. Most of this increase is required to enforce mandatory safety and health standards in metal and non-metal mines and to increase emphasis on occupational health problems, including coal dust;
 - ° new resources for OSHA to initiate programs to develop the capacity of worker groups, employer groups, and schools to train employers and workers in the best occupational safety and health practices;
 - ° added resources for OSHA and NIOSH to develop more occupational health standards.
- The Volunteers in Service to America (VISTA) program will be supporting approximately 1,200 additional volunteers in 1979 (total about 5,725). These volunteers will be serving in projects developed by local communities which stress service to the disadvantaged in such areas as health and nutrition, energy conservation, and community development.

Transportation

- New highway safety legislation is being proposed that reduces the restrictions on the States' use of highway safety grant monies received from DOT. In addition, the legislation sets aside up to 20 percent of the State and Community Highway Safety Program, for use at the discretion of the Secretary. These discretionary funds will be used by the Secretary to support high priority highway safety projects such as 55 mph enforcement.
- The Administration is proposing a major, new highway and transit bill which will provide more than \$45 billion in total authorizations in the 1979-1982 period. The single most important feature of the legislation is the increased flexibility provided States and localities in the planning and programming of their highway and transit funding. This flexibility will be provided by reducing the number of narrow, categorical appropriation accounts and by opening up the new, consolidated accounts to a wider range of potential projects. For example, transit projects will be eligible for funding under a greater portion of the highway program and vice-versa.

Commerce

- EDA funding for distressed cities is increased over 100 percent from the current level of \$100 million to \$205 million in 1979. A supplemental of \$27 million is also requested for 1978.
- EDA will undertake a major reorganization to increase the effectiveness of its various development programs in leveraging private sector investment in distressed areas and in creating permanent employment opportunities.
- Funding for trade adjustment assistance to firms and communities adversely affected by foreign imports will increase over four times from the current level of \$22 million to \$96 million in both 1978 and 1979.

Housing Finance

- 1979 subsidized housing programs will provide rental and homeownership assistance to an additional 450,000 eligible lower income families, about 10 percent more than the 1978 level. Outlays for subsidized housing programs will increase more than 17 percent from 1978 to 1979, reflecting both the greater number of families served and higher costs per family.
- There are several new housing initiatives, including:
 - o A new program of operating subsidies for financially troubled FHA-insured subsidized projects is being proposed so that these properties may be retained as a viable source of housing for low- and moderate-income tenants without undue rent increases above approved levels. About 130,000 units will be assisted in 1979.
 - o A new mortgage purchase program called the "targeted tandem program" will provide financing for an estimated 17,000 units of middle class, multi-family housing in distressed central-city areas in 1978 and 1979.
 - o Additional mortgage purchase authority will support the financing of an estimated 50,000 units of FHA-insured subsidized housing units in both 1978 and 1979.

Community Development

- The Community Development Block Grant program will be increased \$150 million with increased emphasis on urban neighborhood rehabilitation.
- The Rehabilitation Loan program will have a 60 percent program level increase in 1979, providing about 10,000 loans for housing rehabilitation in urban areas.
- An expanded urban homesteading program will allow the transfer of 3,200 properties to cities as part of local urban revitalization efforts.

Health

- Expansion of the child health assessment program to provide early and periodic screening, diagnosis, and treatment to all low-income children. This means an additional 1.7 million low-income children under age 21 who are not now covered by Medicaid.
- Hospital cost containment in combination with limits on capital expenditures for health facilities. This initiative should reduce health costs in the Nation by almost \$2.7 billion in 1979, including over \$700 million in Federal outlays.
- Reduction of payment errors under a Medicaid quality control program through a fraud and abuse legislative proposal.
- Prevention of unwanted adolescent pregnancies and services for adolescent parents through a new \$100 million service program in 1979.
- Extension of Medicaid coverage to all low-income expectant mothers not now covered.
- The Administration expects to submit legislation in 1978 on National Health Insurance.

Income Security

- Change the social security benefit structure to eliminate windfall benefits and improve equity within the social security system.
- Begin planning and demonstration projects in 1979 for the better jobs and income program, which is designed to reform the numerous and often conflicting welfare programs for the poor.
- Extend and expand the special supplemental food program for women, infants, and children (WIC).

General Government

- The President is proposing that a two-year Retirement Policy Commission be established. The Commission will evaluate problems of existing retirement, disability, and survivor plans in the public and private sector. Outlays for retirement programs account for more than 25 percent of the budget and an increasing large share of the GNP, yet the structure of these programs has not been adequately evaluated. The Commission will be asked to recommend (1) reforms to ensure that workers have adequate coverage and benefits, and (2) appropriate financing mechanisms.
- One of the President's major plans for improving the efficiency and effectiveness of government management is the reorganization and reform of Federal personnel management. An intensive study of the present personnel system was completed in 1977. The project team--comprised of civil servants, top managers from Federal agencies, and outside experts--studied a broad range of personnel issues and considered the views of public and private interest groups. Specific proposals resulting from the study will be sent to the Congress in 1978.

Grants to States

- The 1979 budget proposes that advance funding be extended to several programs in the health and human development fields. As a result, State and local governments will have a sounder basis for planning their work in the programs covered.
- Grants to State and local governments will be about \$85 billion in 1979, almost double what they were only five years ago.

January 11, 1978

Current Budget Totals

	<u>1978</u>	<u>1979</u>	<u>Difference</u>
<u>In millions</u>			
Outlays	462,234	500,174	
Receipts	<u>400,387</u>	<u>439,588</u>	
Deficit	-61,847	-60,586	-1,261
(Contingencies)	- 0 -	1,700	

	<u>1978</u>	<u>1979</u>	<u>1981^{a/}</u>
<u>In billions</u>			
Outlays	462.2	500.2	576.8
Receipts	<u>400.4</u>	<u>439.6</u>	<u>583.9</u>
Deficit/Surplus	-61.8	-60.6	7.1

a/ Not yet firm.

ID 780104

THE WHITE HOUSE
WASHINGTON

DATE: JAN 12 78

FOR ACTION:

INFO ONLY: STU EIZENSTAT

FROM: RICK HUTCHESON WHITE HOUSE STAFF SECRETARY PHONE 456-7052

SUBJECT MCINTYRE MEMO UNDATED RE FY 1979 BUDGET HIGHLIGHTS

RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY

BY

JAN 12 78

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD; DO NOT FORWARD.

PLEASE NOTE OTHER COMMENTS BELOW:

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THE WHITE HOUSE
WASHINGTON
January 12, 1978

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim Gammill

RE: APPOINTMENTS OF ASSIST. SEC. FOR
PERSONNEL ADMINISTRATION - HEW
GENERAL COUNSEL OF NOAA

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
/		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
/	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE

WASHINGTON

January 11, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ.*

There are several positions in the government that although they are Secretarial appointments, they require Presidential "approval".

Secretary Califano and Secretary Kreps each have one such vacancy at this time. Secretary Califano would like to appoint Thomas McFee as Assistant Secretary for Personnel Administration. Secretary Kreps would like to appoint Eldon Van Cleef Greenberg as General Counsel of the National Oceanic and Atmospheric Administration.

I recommend that you indicate your approval of these appointments. The letters from Secretary Califano and Secretary Kreps are attached.

 _____ approve _____ disapprove

[Signature]

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

December 28, 1977

MEMORANDUM FOR THE PRESIDENT

Subject to your approval, I plan to appoint Mr. Thomas S. McFee as Assistant Secretary for Personnel Administration within HEW. This assistant secretaryship is one of two within HEW which are career positions. Authority for the appointment is derived from 42 USC 3502.

As part of the reorganization of HEW announced last March, we elevated the responsibility for Personnel Administration to the assistant secretary level. That decision was part of our plan to give greater attention and importance to the recruitment, development, and management of the 150,000 employees of this Department. I believe that we can, and must, do better in attracting very able people into government service, in providing opportunities for diversified career patterns, and in facilitating the advancement of qualified women and minorities. We also need flexible and imaginative leadership in working out the continuing personnel ramifications of our own reorganization.

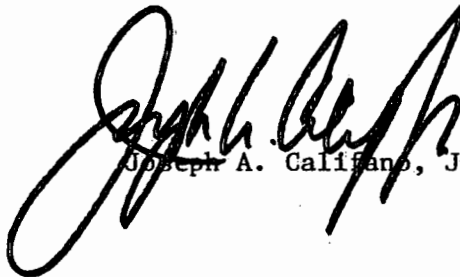
During the past year, Mr. McFee has shown that he can work well on all of these fronts. Since March, he has served not only as Deputy Assistant Secretary for Management within the Department but as the Acting Assistant Secretary for Personnel Administration. We conducted a national search for the permanent Assistant Secretary, but found no one available with a better combination of talent and experience for the job.

Mr. McFee, a career employee in the Federal Government, was initially trained in mathematics. After nine years in the Defense Department and a year in the President's Office of Science and Technology, Mr. McFee came to HEW in 1967 as Director of Systems Development. In that capacity, he headed a major effort to adapt to management in HEW the systems approaches which had been developed within Defense. Since then, he has held a series of senior positions in the areas of Planning and Evaluation and of Administration and Management, and he was one of a handful of people on whom I relied in designing the Department's reorganization.

The President
Page two

Our reference checks, substantiated by my own experience, indicate that Mr. McFee is an intelligent, imaginative, and professional administrator, and I am especially pleased to have been able to find such a person within the ranks of the career service. I have discussed my plan to appoint Mr. McFee with Scotty Campbell, who warmly endorses it.

Attached are Mr. McFee's resume and a description of the current mission, organization, and function of the Office of Personnel Administration.



Joseph A. Califano, Jr.

ok
JC

BIOGRAPHICAL SKETCH

NAME: Thomas S. McFee

POSITION: Deputy Assistant Secretary for Management
Office of the Secretary
Department of Health, Education, and Welfare

BIRTH PLACE and DATE: Milwaukee, Wisconsin; November 19, 1930

EDUCATION: University of Maryland, 1953, B.S. Mathematics
University of Maryland Graduate School, 1956-1959

EXPERIENCE:

- 1971-1977: Deputy Assistant Secretary for Management
Planning and Technology
Office of the Assistant Secretary for
Administration and Management
Department of Health, Education, and Welfare
- 1969-1971: Deputy Assistant Secretary for Program Systems
Office of the Assistant Secretary for Planning
and Evaluation, Department of Health, Education,
and Welfare
- 1967-1969: Director of Systems Development, Office of the
Assistant Secretary for Program Coordination
Department of Health, Education, and Welfare
- 1965-1966: Technical Assistant to the Director, Office
of Science and Technology, Executive Office
of the President
- 1962-1965: Project Leader, Weapons Systems Evaluation Group
Department of Defense
- 1958-1962: Head, Systems Analysis Branch, Operations
Research Division, David Taylor Model Basin
(this division later became the Naval Command
Systems Support Activity under Chief of
Naval Operations)
- 1956-1958: Mathematician, Mathematical Computation Division
U.S. Navy David Taylor Model Basin

OTHER EXPERIENCE:

- 1953-1954: Mathematics Teacher, High School,
Montgomery County, Maryland
- 1954-1956: Education Officer, U.S. Air Force, Instructor
in Mathematics, Physics, and Electronics

AWARDS: Navy Superior Accomplishment Award, 1958
DHEW Superior Service Award, 1970
DHEW Distinguished Service Award, 1972

Office of the Assistant Secretary for Personnel Administration

MISSION:

The Assistant Secretary for Personnel Administration assures vigorous Department-wide leadership for all aspects of a comprehensive personnel management program. This program continues the Department's commitment to publishing and effectuating policies and procedures that are consonant with goals and objectives that are both Government-wide and of particular significance to HEW.

ORGANIZATION:

The Office of the Assistant Secretary for Personnel Administration is headed by the Assistant Secretary for Personnel Administration who reports to the Secretary and consists of the following:

Office of Personnel and Training (AHP)

Office of Equal Employment Opportunity (AHE)

Committee Management Staff (AHC)

FUNCTIONS:

A. The Office of Personnel and Training formulates policies and plans broad programs for personnel and training program throughout the Department; represents the Department on general personnel and training matters with the Civil Service Commission, the Congress and the public and provides Department-wide leadership and service in the area of central payroll.

B. The Office of Equal Employment Opportunity formulates Department-wide policies and procedures related to the Department's equal employment opportunity programs and activities.

C. The Committee Management Staff provides a variety of Department-level services related to establishing, staffing, and operating Departmental advisory committees.

VAN CLEEF



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

JAN 5 1978

"ACTION"

Dear Mr. President:

H.R. 9794 authorizes the Secretary of Commerce to appoint within the National Oceanic and Atmospheric Administration, subject to the approval of the President, a General Counsel who shall be compensated at the rate provided for Level V of the Executive Salary Schedule. The General Counsel shall serve as the chief legal officer for all legal matters which may arise in connection with the conduct of the functions of the Administration.

This is to request your approval of the appointment of Mr. Eldon Van Cleef Greenberg, our candidate for the position of General Counsel, utilizing the aforementioned position.

Mr. Greenberg of Washington, D. C. is currently Deputy General Counsel of the Agency for International Development, Department of State. Prior to this he served as Staff Attorney with the Center for Law and Social Policy handling major consumer environmental litigation. His experience has included serving as a Member of the National Committee for the Prevention of Marine Pollution (Advisory Committee to the Department of State 1973-1977); Member, Secretary of State's Advisory Committee on the Law of the Sea (1975-1977); and Advisor, United States Delegation to the Law of the Sea Conference (1975-1977). This very valuable experience effectively supports his credentials for the position for which he is proposed.

A biographical summary and a statement of proposed duties for Mr. Greenberg are enclosed. I heartily recommend your approval of this appointment.

Respectfully,


Juanita M. Kreps

Enclosures

The President
The White House
Washington, D. C. 20500

APPROVED  _____

DISAPPROVED _____



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Eldon Van Cleef Greenberg

<u>Date and Place of Birth</u>	<u>Local Residence</u>	<u>Marital Status</u>
July 26, 1944 Los Angeles, California	4711 Windom Place, N.W. Washington, D.C. 20016	Widowed - 1 child

Education

B.A., Harvard College, 1965 (Magna Cum Laude)
Certificat d'Etudes Politiques, Institut d'Etudes Politiques de Paris,
Paris, France, 1966
J.D., Harvard Law School, 1969 (Cum Laude)

Present Position

May 1977 - Present Deputy General Counsel, Agency for International
Development, Department of State

Prior Experience

8/69 - 7/70 Law Clerk to Honorable Edward C. McLean, United States District
Judge for the Southern District of New York
9/70 - 8/72 Associate Attorney, Debevoise, Plimpton, Lyons and Gatz, New York
8/72 - 5/77 Staff Attorney, International Project, Center for Law and Social
Policy, Washington, D.C.

Honors and Professional Affiliations

Phi Beta Kappa, Detur Prize, Harvard College Scholarship
John Harvard Scholarship
Member of the Bar, Washington, D.C. and State of New York
Member, Washington Council of Lawyers
Member, American Civil Liberties Union
Member, National Committee for the Prevention of Marine Pollution (Advisory
Committee to the Department of State), 1973-1977
Member, Secretary of State's Advisory Committee on the Law of the Sea, 1975-1977
Member, Environmental Advisory Committee to Federal Energy Office,
December 1973-May 1974
Member, OTA Advisory Panel on Supertankers, 1975
Advisor, United States Delegation to the 1973 International Conference
on Marine Pollution
Advisor, United States Delegation to the Law of the Sea Conference, 1975-1977
Adjunct Professor, Administrative Law, Georgetown Law Center, Fall 1975
Chairperson, Steering Committee, Environmental Law Division, D.C. Bar, 1976-1977

Guest Lecturer, American Bar Association Conference on Environmental Protection Requirements and Energy Development, November 1975
 Guest Lecturer, American Bar Association Course of Study on Oil Spills and the Law, April 1977
 Member, American Society of International Law, Panel on Trade Policy Implications of Environmental Protection, 1976-1977

Publications

Law and the Conduct of the Algerian Revolution, Harvard International Law Journal, Winter 1970
International Significance of Nuclear Power (with Robert M. Hallman) in a Citizen's Manual on Nuclear Energy (Center for the Study of Responsive Law 1974)
 Book Review, Oil Spills and the Marine Environment and Designing Water Pollution Detection Systems, Journal of Maritime Law and Commerce 107 (1976)
IMCO: An Environmentalist's Perspective, 18 Case Western Reserve Journal of International Law 131 (1976)
The Need for Health and Safety Reviews in Nuclear Export Licensing, Atomic Energy Law Journal, forthcoming
International Regulation of Nuclear Energy, Columbia Journal of Transnational Law, forthcoming

POSITION DESCRIPTION

General Counsel

Executive Level V

The General Counsel for the National Oceanic and Atmospheric Administration is one of the Executive Level Positions authorized under an amendment to H.R. 9794, a bill to bring the governing international fishery agreement with Mexico within the purview of the Fishery Conservation Zone Transition Act with a Senate amendment thereto. The primary role of this position is to advise the Administrator and all of the diversified components of NOAA on all matters concerning legal and related aspects of operations and other activities. In this capacity, provides the primary focal point in the Administration for the review, coordination and action on all items requiring legal interpretation and definition, legislation and legislative proposals, and matters of law in all aspects - civil, business, and international. Provides total legal services - instituting research of laws, regulations, and orders; developing the posture and position of the Administration in terms of legal and lawful constraints; developing and recommending the approach of strategies involved; developing and presenting arguments for required changes to or the development of new legislation, agreements, orders or other legal or quasi-legal constraints.

THE WHITE HOUSE

WASHINGTON

Date: January 6, 1978

MEMORANDUM

FOR ACTION:

FOR INFORMATION:

Hamilton Jordan *concur*
Jim Gammill *concur; will prepare by 1/9/78*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Kreps memo dated 1/5/78 re Eldon Van Cleef Greenberg
as General Counsel of NOAA

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Monday

DATE: January 9, 1978

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
X		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
X	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Date: January 6, 1978

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Hamilton Jordan
~~Jim Gammit~~

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DAY: Monday

DATE: January 9, 1978

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur. *H.Q.*☐ No comment.*Please note other comments below:**1/6/78*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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THE WHITE HOUSE

WASHINGTON

Date: December 28, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan *OK*
Jim Gammill *concur - will sign it's cover memo.*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Califano memo dated 12/28/77 re appointment of Thomas S. McFee as Assistant Secretary for Personnel Administration

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Friday

DATE: December 30, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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THE WHITE HOUSE
WASHINGTON

12/29/77

TO: Bill Simon

FROM: Eleanor Connors

I don't know where the original of this is, we just got this copy. In any case, Hamilton has no objection. My impression is Gammill isn't too crazy about it, but we really don't have any basis for saying no.

encl.

Date: December 28, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan
Jim Gammill

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Califano memo dated 12/28/77 re appointment of Thomas S.
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TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Friday

DATE: December 30, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.☐ No comment.

Please note other comments below:

H. J.
12/30/77**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

January 12, 1978

Stu Eizenstat
Hamilton Jordan
Frank Moore
Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Jim McIntyre
Charles Schultze
Tim Kraft
Fran Voorde

RE: ECONOMIC AND LEGISLATIVE
PRESENTATIONS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
/		JORDAN
		LIPSHUTZ
/		MOORE
/		POWELL
		WATSON
/		McINTYRE
/		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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	H. CARTER
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	FIRST LADY
	HARDEN
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	GAMMILL

/	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
/	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

Mr. President:

Instead of signing the
budget on Monday, Jan. 23,
you could do it immediately
after church on Jan. 22. ← *no*

*Jody agrees with
this*

Phil

*Why not
Fri 1/20?
J*

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 11, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

HAMILTON JORDAN *HJ.*

JODY POWELL *J.P.*

FRANK MOORE *F.M.*

STU EIZENSTAT *Stu*

SUBJECT:

Economic and Legislative
Presentations

We have developed with Charlie Schultze, Jim McIntyre and Mike Blumenthal, a schedule for you to present this year's economic and legislative program. The schedule is designed to space events in a way that ensures maximum, informed coverage over an extended period, while meeting the legal constraints -- State of the Union (January 19), Economic Report (January 19) and Budget Message (January 23).

The one open question is whether you want to announce the Tax Message in Georgia on Saturday, January 21. *no* The argument for your making a brief announcement (with no questions and with Secretary Blumenthal having done an embargoed briefing on Friday) is two-fold. First, the Tax Message contains what will probably be one of your most popular proposals -- a \$25 billion tax cut. While you will announce that fact in the State of the Union, you might take another opportunity to be closely associated with the cut (and to appear in the Sunday papers making the announcement).

Second, the Message contains your tax reforms, almost none of the specifics of which will be in your State of the Union Message. While many of the specifics were leaked by Secretary Blumenthal, your announcing some of the reforms would still have significant news value: you would be visibly honoring a major campaign commitment and would be able to articulate your reasons for some of the more controversial reforms. In addition, to the extent that it is clear from the start that you are completely committed to the reforms, the job of pushing them through the Congress will be made easier.

Electrostatic Copy Made
for Preservation Purposes

- 2 -

_____ Announce Tax Message

_____ Do not Announce Tax Message

_____ Other

TIMETABLE FOR PRESENTATION OF ECONOMIC AND LEGISLATIVE PROGRAM

- Jan. 12 President meets with black leaders re '78 agenda.
- Jan. 13 President meets with business leaders re economic/tax program.
- Jan. 13 President meets with George Meany re '78 agenda.
- Jan. 16 President meets with O'Neill re entire '78 agenda.
- Jan. 16 President meets with House Steering and Policy Committee.
- Jan. 17 President meets with 94th and 95th Members Caucus with '78 agenda.
- Jan. 19 President meets separately with Ullman and Long re economic/tax program.
- Jan. 19 President gives State of the Union Address; State of Union Message released and delivered to Congress (written texts for both released about 6:00 p.m., with embargo until Address is delivered)
- Economic Report of the President released around noon, with embargo until Economic Report is signed following day; Schultze background briefing similarly embargoed.
- Jan. 20 President signs Economic Report, with brief remarks.
- Jan. 20 Blumenthal background briefing on Tax Message, embargoed until President announces Tax Message.
- Jan. 21 (President announces Tax Message in Georgia.)* - *no*
- Tax Message signed and delivered to Congress.
- Budget released to press and Congress, embargoed until noon Monday; McIntyre background briefing similarly embargoed.
- Jan. 23 President signs budget in Georgia, with brief remarks.
- Budget publicly released and delivered to Congress at noon.
- * The President might decide to not make the announcement. If he does not, Secretary Blumenthal would do so.

Jan. 30 · CEA Report delivered to Congress.

Feb. 1-10 President meets with business and labor leaders
 re private sector jobs program.

TIMETABLE FOR PRESENTATION OF ECONOMIC AND LEGISLATIVE PROGRAM

Jan. 12 President meets with black leaders re '78 agenda.

Jan. 13 President meets with business leaders re economic/tax program.

Jan. 13 President meets with George Meany re '78 agenda.

Jan. 16 President meets with O'Neill re entire '78 agenda.

Jan. 16 President meets with House Steering and Policy Committee.

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Jan. 20 President signs Economic Report, with brief remarks.

Jan. 20 Blumenthal background briefing on Tax Message, embargoed until President announces Tax Message.

Jan. 21 (President announces Tax Message in Georgia.)* - *no*

Tax Message signed and delivered to Congress.

Budget released to press and Congress, embargoed until noon Monday; McIntyre background briefing similarly embargoed.

Jan. 23 President signs budget in Georgia, with brief remarks.

Budget publicly released and delivered to Congress at noon.

* The President might decide to not make the announcement. If he does not, Secretary Blumenthal would do so.

Electrostatic Copy Made
for Preservation Purposes

10:30 A.M.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 11, 1978

①

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BUNNY MITCHELL
STU EIZENSTAT

B
Sh

SUBJECT:

Meeting with Black Leaders

I. PURPOSE

To outline the Administration's economic and political agenda for 1978 with emphasis on items of particular concern to black Americans.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: This is a follow-up to the meeting that you had with the black leadership on December 14, 1977. Each has been informed that this is an off-the-record discussion of economic and social policy. No staff will be in attendance. Benjamin Hooks of the NAACP and Jesse Hill did not attend the December meeting.
- B. Participants: Vernon Jordan, Richard Hatcher, Jesse Hill, Parren Mitchell, Benjamin Hooks, Carl Holman
- C. Press Plan: None

III. TALKING POINTS

- 1. During the December 14th meeting three problem areas were discussed: unemployment, needs of the cities, and affirmative action. The Administration took steps to address these problems in 1977, and we intend to improve upon those efforts in 1978.
- 2. Domestic Policy Highlights of 1977 include:
 - a. Increased number of public service jobs to highest level in history (725,000)
 - b. Endorsed Humphrey-Hawkins bill

Electrostatic Copy Made
for Preservation Purposes

- c. Proposed "Better Jobs and Income Program", which includes creation of 1.4 million public service jobs by 1981.
- d. Increased funding of Community Development Block Grant program to \$11.1 billion over 3 yrs. and created new Urban Development Action Grant program for severely distressed cities (\$1.2 billion over 3 years).
- e. Submitted Bakke brief in support of affirmative action and proposed strong anti-redlining regulations to prohibit mortgage lending discrimination.
- f. Instructed agencies to, at least, double their purchases of services from minority firms and vigorously enforced the 10% minority business provision of the local Public Works Act with the result being that at the end of 1977, 14% of the LPW contracts went to minority firms.

3. Major Administration Actions for 1978

a. Budget and Economic Message

- (1) The budget emphasizes the importance of a fiscal policy that provides for continued economic recovery and the obligation of the government to meet essential human needs.
- (2) A tax cut of \$25 billion is proposed to provide economic stimulus and to help reduce unemployment.
- (3) Included is proposed extension of medical care (\$318 million) and nutritional supplements (\$335 million) to all low-income expectant mothers and infants.
- (4) Major increases (11% over FY'78 budget) in educational assistance at all levels is proposed (\$1.3 billion).
- (5) Increases in employment programs and new initiatives to employ minority youth are included.

- (6) Proposals for an urban strategy will be announced in the Spring.
- (7) To meet housing needs a 13% increase in HUD outlays (\$1.1 B) is proposed, and in the area of minority business we proposed a 20% increase (\$10 million) in the budget of the Office of Minority Business Enterprise and an expansion of the loan authority of the Small Business Administration (\$350 million).
- (8) Budget reflects the attempt to reach a balanced budget, but it reflects the fact that we never intended to balance the budget by ignoring the obligation to meet critical human needs.

b. Details on Initiatives

- (1) Employment - Overall unemployment fell from 7.8% to 6.4% in calendar year 1977. Employment grew by 3.8 million jobs. Blacks got 700,000 of those jobs, and their overall unemployment rate fell from 13.4% to 12.5%.

However, for black teenagers, despite an increase of 8.7 percent in employment, the labor force grew by 13.0% so the unemployment rate increased 34.8 to 37.3 percent.

The Administration in its 1979 budget is increasing outlays for youth employment programs by \$700 million over the 1978 level. The new levels represent an increase of 260% over 1976 spending.

And a new \$400 million initiative for private sector jobs for youth and other disadvantaged workers will help redirect Comprehensive Employment and Training Act programs toward permanent private sector jobs. The initiative will seek to mobilize the business community in cities and towns all across the nation to provide more job opportunities for the disadvantaged. The administration is also working on a targeted tax credit to provide additional incentive to the private sector.

In addition, the budget includes the following items:

- Continuation through 1979 of the 725,000 level in public service employment jobs. The buildup toward the 725,000 level is continuing and will be reached in March 1978. New legislation will tie the level of these CETA PSE jobs to the national level of unemployment. The total number of jobs, after 1979 will decline with unemployment, but the formula will assure targeting of jobs to areas of greatest need.
 - A demonstration of the jobs in the employment part of the Better Jobs and Income program to begin in 1979 with \$200 million budgeted for an estimated 50,000 jobs.
- (2) Urban Policy - Interagency work continues to define options for federal action to leverage public and private resources to improve the conditions of the cities. Policy will emphasize economic development, job creation, improved service delivery, and extra-governmental urban development activities. It will be a coherent strategy rather than a hodge podge of programs.
- (3) Minority Business - We will continue to promote the development of minority business enterprise. The Interagency Council for Minority Business will assist agencies in meeting the goal of doubling purchases of services from minority firms. The SBA will soon announce regulations to improve the operation of the 8(a) program. Treasury, which met the goal of \$100 million in deposits to minority banks during 1977, will reorganize the minority bank deposit program and improve upon its 1977 record. We anticipate meeting with black businessmen to solicit their views on economic policy.

4. Miscellaneous

- a. Equal Employment Opportunity Commission - we will submit an EEOC reorganization plan which should improve the Commission's effectiveness and contribute to greater employment opportunities for minorities.
- b. Energy - The NAACP recently opposed oil and gas pricing provisions of the Administration's energy plan because they assumed that the plan would diminish economic opportunities. The NAACP should reconsider its position in view of the overwhelming evidence that total deregulation of oil and natural gas would have a negative impact on low and moderate income families.
- c. Support for Administration Programs - In order to achieve domestic policy goals it is important to receive vocal support, as well as criticism, from their organizations. We should make every effort to forge the meaningful partnership to attain these goals which we all desire.

THE WHITE HOUSE

WASHINGTON

January 11, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *SE*

SUBJECT: Background Information on Employment
For Meeting with Black Leaders

The attached table breaks down the changes in the job picture over the past year by race, sex and age.

The good news, of course, is that unemployment is down from 7.8% a year ago to 6.4% in December 1977 with 4.2 million growth in the jobs.

By looking at the breakdown, it is possible to get a clearer understanding of the increase in the rate of black teenage unemployment.

For the Nation as a whole, the labor force grew by 3.1% last year while jobs increased by 4.7%, so unemployment fell.

For white workers the job growth was well ahead of the labor force growth, 4.5% to 2.8%.

For white teenagers - the group with the largest percentage job growth, employment grew by 9.0% while the labor force grew by 3.3%. Unemployment dropped from 17.2% to 12.7%.

For blacks as a group the growth in jobs - 6.7% was only one percent ahead of the growth in the labor force, 5.7%, so unemployment through the year dropped by only .8% from 13.5% to 12.7%.

For black males over 20, the growth in jobs (5.7%) was well ahead of the growth in the labor force (3.5%) and their unemployment rate fell by more than the national average. It fell by a full 2.2%, from 11.3% to 9.1%.

But for black teenagers, the reverse is true. They made a very substantial gain in jobs - a growth rate of 7.8%, second only to the growth in white teenage jobs. But the black teenage labor force grew by 12.6%, more than wiping out the gain in jobs and resulting in a measured increase in the rate of unemployment for black teenagers, from 35.3% to 38.0%!

We know that black teenagers face not only terribly high unemployment rates but also very low labor force participation rates. In one respect the year's statistics are good news: when jobs are available young blacks come back into the labor force seeking them. But it also documents how far we have to go in finding jobs for black teenagers.

I think it might be revealing for you to hand out a copy of this chart to the black leaders. It would indicate that while black unemployment remains a very serious problem, blacks have had a greater than proportional share of the new jobs.

LONDON BUTLER'S COMMENT

THE WHITE HOUSE
WASHINGTON

January 11, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BUNNY MITCHELL
LONDON BUTLER

SUBJECT:

Meeting with Black Leaders.

Jesse Hill suggests, and we completely agree, that this meeting should be candid, private and off-the-record.

Jesse believes that it is important for you to challenge the participants to help you in your second year in office to achieve your total agenda. If your discussion today stresses your entire agenda, then the participants will be less likely to be critical of each individual initiative as it comes up.

In short, you should seek their help, and ask them to become more intimately involved in the day-to-day responsibility for the success of the Administration's programs.

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January 11, 1978

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THE WHITE HOUSE

WASHINGTON

January 11, 1978

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We know that black teenagers face not only terribly high unemployment rates but also very low labor force participation rates. In one respect the year's statistics are good news: when jobs are available young blacks come back into the labor force seeking them. But it also documents how far we have to go in finding jobs for black teenagers.

I think it might be revealing for you to hand out a copy of this chart to the black leaders. It would indicate that while black unemployment remains a very serious problem, blacks have had a greater than proportional share of the new jobs.

THE WHITE HOUSE

WASHINGTON

January 11, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BUNNY MITCHELL
LONDON BUTLER

SUBJECT:

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Jesse believes that it is important for you to challenge the participants to help you in your second year in office to achieve your total agenda. If your discussion today stresses your entire agenda, then the participants will be less likely to be critical of each individual initiative as it comes up.

In short, you should seek their help, and ask them to become more intimately involved in the day-to-day responsibility for the success of the Administration's programs.

THE PRESIDENT HAS SEEN.

9:00 AM

THE WHITE HOUSE
WASHINGTON

January 11, 1978

MEETING RE TELLICO DAM

Thursday, January 12, 1978
9:00 a.m. (15 minutes)
The Oval Office

From: Robert J. Lipshutz *RJL*

I. PURPOSE

The meeting was requested by the Attorney General to discuss your decision on the Administration's position in the Tellico Dam case.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: The Justice Department has petitioned for and received a 7 day extension for filing in this case. The due date is now January 19.
- B. Participants: The Attorney General and Robert Lipshutz
- C. Press Plan: No press or photographers have been scheduled for the meeting.

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THE PRESIDENT HAS SEEN.

EYES ONLY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

January 11, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}

SUBJECT: Business Plans for Plant and Equipment Spending
in 1978

The Commerce Department will release on Thursday (January 12) at 10:00 a.m. the results of its latest survey of business plans for plant and equipment spending. Current plans are to increase outlays this year by 10.1 percent. Adjusted for inflation, this would mean a rise of about 4-1/2 to 5 percent.

This news is not particularly surprising; private surveys taken earlier in the fall indicated that businesses were planning increases in current dollar terms of around 10 to 11 percent in 1978. It is, however, not a particularly encouraging report. In 1977, real outlays for plant and equipment rose about 8 percent, and our economic forecast calls for a rise of 7 percent in 1978. Unless investment intentions strengthen, capital investment this year will be disappointingly weak.

The Commerce survey was taken in late November and early December, when businesses may well have been in a gloomy mood.

- o The economy had not yet clearly emerged from the summer doldrums.
- o Energy, social security reform, and tax reform were all being publicly debated, but there was no indication then as to how any of those issues would be resolved.
- o Interest rates had been rising since the spring -- depressing the stock market and generating concern about the strength of the recovery.

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Some of these issues have since been settled, and some others - apart from interest rates -- are in process of resolution. If Congress acts promptly on energy and then moves quickly on your tax proposal, businesses may become more optimistic and raise their sights on investment plans as the year goes on. The next survey reading, in early March, may indicate whether the economic sun has begun to shine more brightly in the business community.

THE PRESIDENT HAS SEEN.
THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON



January 12, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CCS by PG*

SUBJECT: Wholesale Price Index in December

In December the Wholesale Price Index for all commodities (released this morning) rose by 0.5 percent, compared with a 0.7 percent increase in November. The index has risen 5.9 percent over the past 12 months.

In recent months, the Bureau of Labor Statistics has focused attention away from the rise in the all commodity index -- popularly known as the WPI -- because it double counts some price increases. At the suggestion of CEA, greater emphasis has been put on a "finished goods" Wholesale Price Index that eliminates this flaw.

This finished goods index rose by 0.7 percent in December. November's rise was 0.4 percent. The larger December increase was due almost entirely to a jump in the prices of consumer foods, particularly for meats. Finished goods prices excluding food rose by only 0.3 percent in December, compared with 0.4 percent in November and a 0.6 percent average monthly increase over the previous three months.

Wholesale prices of some industrial raw materials (such as copper and steel scrap) have begun moving up again with the improved tempo of economic activity in the fourth quarter. Apart from those sensitive commodities, increases in most industrial commodity prices have remained moderate during the past several months.

There is little in the latest wholesale price report that is particularly surprising. In general, recent wholesale price numbers have been consistent with the continuation of an underlying inflation rate of 6 to 6-1/2 percent. We had expected some increase in meat prices early this year. The fact that other prices rose relatively modestly in December is somewhat encouraging.

General Comments

There is little in the latest wholesale price report that is particularly surprising. In general, recent wholesale price numbers have been consistent with the continuation of an underlying inflation rate of 6 to 6-1/2 percent. We had expected some increase in meat prices early this year. The fact that other prices rose relatively modestly in December is actually somewhat encouraging.

If you are asked about wholesale prices at your press conference, the following comments would be appropriate:

- . The rise in wholesale prices in December was reasonably moderate, particularly when the effects of food price increases are disregarded.
- . The increase in food prices was expected. You do not believe that the December increase in food costs reflects any significant change in the overall pattern of food price increases.
- . However, it is troublesome that the overall rate of wholesale price increases persists in the range of 6 to 6-1/2 percent. There is no reason to believe that the rate of inflation has subsided, and this is cause for continuing concern and attention.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

January 12, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

SUBJECT: LETTER FROM SEN. PATRICK J. LEAHY

In an effort to comply with Rick Hutcheson's request to hold down the volume of paper coming into your office, I have selected the attached letter to represent the hundreds of letters that come into the office commending our efforts.

W *JL*
United States Senate

WASHINGTON, D.C. 20510

January 5, 1978

COMMITTEES:
AGRICULTURE, NUTRITION, AND
FORESTRY
AGRICULTURAL RESEARCH AND
GENERAL LEGISLATION, CHAIRMAN
RURAL DEVELOPMENT
NUTRITION
APPROPRIATIONS
FOREIGN OPERATIONS
HUD-INDEPENDENT AGENCIES
INTERIOR
STATE, JUSTICE, COMMERCE,
THE JUDICIARY
DISTRICT OF COLUMBIA, CHAIRMAN
SELECT COMMITTEE ON
NUTRITION AND HUMAN NEEDS
CANADA-UNITED STATES
INTERPARLIAMENTARY GROUP
COMMISSION ON SECURITY AND
COOPERATION IN EUROPE

Mr. Frank Moore
Assistant to the President
The White House
Washington, D.C.

Dear Frank:

As we begin a new year, I wanted to take a moment to tell you that, at least in the opinion of this Senator, you and your staff have done an excellent job working the Senate side. Yours is a thankless job, but you handle it with tact and good humor.

Dan, Bob, Regina and Doris have been most gracious and helpful, and I have received attention and treatment far beyond that merited by my age and standing.

Enclosed are more tangible thanks to you and your staff from me and mine.

I look forward to working with you this year, and please do not hesitate to call when I can be of any assistance.

Warmest personal regards,

Patrick J. Leahy
PATRICK J. LEAHY

cc Mr. Dan Tate
Mr. Bob Thomson
Ms. Regina Mellon
Ms. Doris Brenner

Rosen. Vernon - Sen. Jesse - Dick
(Meeting with Black Leadership - 1/12/78)

THE WHITE HOUSE
WASHINGTON

'78 budget plans

Employment

Welfare

Hamm - Hawkins

EEOC

NAACP - energy - Econ growth

> Schultze. Private jobs → Bus

> St of Union - Black Unemp. Rights
Who gets tax cuts?

Commerce Dept. Blacks

> M1/M2 growth - Schultze recom

Wallace & Wallace refinery

Minority Bus Enterprise

BDDP - one stop work?

Council Econ Dev report

OPENING STATEMENT
NEWS CONFERENCE
JANUARY 12, 1978

THE PRESIDENT HAS SEEN.

MUCH HAS BEEN SAID ABOUT THE
MESSAGES WHICH I CARRIED ON BEHALF
OF THE AMERICAN PEOPLE TO LEADERS
OF THE NATIONS ~~FROM~~ WHICH I JUST VISITED.
~~RETURNED~~. IT IS ALSO IMPORTANT TO
FOCUS ON THE MESSAGE WHICH I RECEIVED
FROM ~~EVERY LEADER I TALKED TO IN~~
~~EVERY COUNTRY I VISITED~~. THEY ARE
LOOKING TO OUR COUNTRY -- ~~TO ME, TO~~

THE CONGRESS . . .

~~THE CONGRESS, AND TO THE AMERICAN~~
~~PEOPLE~~ ^X - TO SEE WHETHER WE HAVE
THE RESOLVE TO DEAL SQUARELY WITH
OUR ENERGY PROBLEM.

^X ~~THE~~ ^{VS} ~~IRANIANS AND SAUDI ARABIANS~~
~~MADE~~ ^{IT} CLEAR THAT OUR WILLINGNESS
TO CURB OUR ENORMOUS NATIONAL APPETITE
FOR IMPORTED OIL WILL BE A CONSIDERATION
IN FUTURE O.P.E.C. PRICES.

IF WE AS A NATION ~~SHOW NO~~
~~WILLINGNESS TO CONSERVE, IF WE~~
CONTINUE INCREASING OUR DEMANDS
FOR FOREIGN OIL, WE MAY HAVE

CONSERVATION FORCED . . .

CONSERVATION FORCED UPON US THROUGH
WORLD OIL PRICES. OUR CONSUMERS AND
OUR INDUSTRIES WILL PAY MORE AND MORE ^{TO}
~~INTO THE COFFERS OF~~ FOREIGN COUNTRIES
-- AND WITH THOSE DOLLARS, WE WILL
ALSO BE EXPORTING JOBS WHICH WE NEED
HERE AT HOME.

IN PARIS AND IN BRUSSELS, OUR
ALLIES EXPRESSED CONCERN OVER WHETHER
WE CAN AND WILL ENACT STRONG NATIONAL
ENERGY LEGISLATION. ~~X~~ [IT IS CLEAR
~~THAT OUR ABILITY TO REDUCE OUR~~
~~FOREIGN OIL IMPORTS HAS MAJOR~~

IMPLICATIONS FOR ALL . . .

IMPLICATIONS FOR ALL WESTERN ECONOMIES.]X

IF OUR OWN ECONOMY IS NOT STRONG, IF
 OUR ~~RESOURCES ARE~~ ^{STRENGTH IS} BEING SAPPED BY
 EXCESSIVE IMPORTS, WE CANNOT PROVIDE
 THE KIND OF LEADERSHIP AND STABILITY ON
 WHICH THE ~~EUROPEAN COUNTRIES~~ ^{WESTERN DEMOCRACIES} LOOK TO DEPEND
 FOR THEIR OWN ECONOMIC WELL-BEING.

X [I WAS PARTICULARLY IMPRESSED BY
 THE CONSERVATION PROGRAMS WHICH THE
 FRENCH HAVE ESTABLISHED TO LIMIT THEIR
 DEPENDENCE ON FOREIGN OIL SUPPLIES
 AND HENCE THE DRAIN ON THE FRENCH
 ECONOMY. SINCE 1975 WHEN THEIR
 PROGRAM BEGAN, THE FRENCH HAVE

REALIZED ENERGY SAVINGS ...

REALIZED ENERGY SAVINGS OF 7 PER CENT
OVER WHAT WOULD HAVE OCCURRED WITHOUT
THE PROGRAM. THEY HAVE SET STRICT
GOALS AND HAVE STUCK BY THEM. THEY,
WITH OUR OTHER WESTERN ALLIES, ARE
NOW LOOKING TO THE UNITED STATES TO
SEE WHETHER WE WILL DO OUR PART:]X

THE UNITED STATES IS FACED WITH
A LARGE TRADE DEFICIT. THIS HAS LED
TO EXCHANGE MARKET DISORDERS AND
EXCHANGE RATE SPECULATION.

IT IS CLEAR THAT OUR HEAVY
DEPENDENCE ON IMPORTED OIL IS A
MAIN PART OF OUR TRADE PROBLEM, AND

THAT OUR FAILURE . . .

THAT OUR FAILURE TO ADOPT AN ENERGY
 PROGRAM HAS BADLY WEAKENED CONFIDENCE
 IN OUR ABILITY TO DEAL WITH THAT
 PROBLEM. ~~[THE ONSET OF SERIOUS~~
~~SPECULATIVE DISORDERS INVOLVING~~
~~THE DOLLAR COINCIDED WITH REALIZATION~~
~~THAT THE CONGRESS WOULD NOT PASS AN~~
~~ENERGY BILL IN 1977 AND CONSEQUENT~~
~~DOUBTS WHETHER WE WOULD EVER GET~~
~~ENERGY LEGISLATION.]~~ ^{ALMOST EVERY} EVERY, FOREIGN
 LEADERS ~~MET~~ STRESSED THE IMPORTANCE
 OF OUR ENERGY PROGRAM IN TERMS OF
 OUR RESPONSIBILITIES FOR INTERNATIONAL
 MONETARY ORDER AND MAINTENANCE OF ~~A~~
~~STRONG DOLLAR~~ THE INTEGRITY OF THE
 DOLLAR.

WE ALL RECOGNIZE . . .

WE ALL RECOGNIZE THAT WHILE THE
 ENERGY PROGRAM WILL NOT REDUCE OUR
 OIL IMPORTS ^{OVERNITE} ~~IMMEDIATELY~~, IT ~~IS~~ WILL
~~DESIGNED TO~~ REDUCE OUR DEPENDENCE
 ON FOREIGN IMPORTS OVER THE LONG
 PULL -- AND PERMANENTLY. IT WILL
~~REPRESENTS ACTION TO~~ IMPROVE OUR
TRADE POSITION IN A FUNDAMENTAL WAY.

BELIEVE

I ~~HAVE CONFIDENCE THAT~~ WE DO
 HAVE THE RESOLVE AND THE NATIONAL
 WILL TO DEAL WITH THE ENERGY PROBLEM.
 THE DEBATE HAS BEEN LONG AND ARDUOUS:
 IT HAS, AT TIMES, TRIED OUR PATIENCE,
~~AND IT~~ HAS DEFERRED ACTION ON OTHER

7
 DELAY

NATIONAL PRIORITIES

NATIONAL PRIORITIES. BUT WHEN WE
SUCCEED, WE WILL HAVE ACCOMPLISHED
SOMETHING IN WHICH WE CAN TAKE PRIDE,
NOT JUST HERE AT HOME, BUT BEFORE THE
OTHER NATIONS OF THE WORLD.

-30-

JANUARY 12, 1978

MUCH HAS BEEN SAID ABOUT THE MESSAGES WHICH I CARRIED
ON BEHALF OF THE AMERICAN PEOPLE TO LEADERS OF THE NATIONS WHICH
I JUST VISITED. IT IS ALSO IMPORTANT TO FOCUS ON THE
MESSAGE WHICH I RECEIVED FROM THEM.

THEY ARE LOOKING TO OUR COUNTRY TO SEE WHETHER WE HAVE
THE RESOLVE TO DEAL SQUARELY WITH OUR ENERGY PROBLEM.

2

IT IS CLEAR THAT OUR WILLINGNESS TO CURB OUR ENORMOUS
NATIONAL APPETITE FOR IMPORTED OIL WILL BE A CONSIDERATION IN
FUTURE O.P.E.C. PRICES.

IF WE AS A NATION CONTINUE INCREASING OUR DEMANDS FOR
FOREIGN OIL, WE MAY HAVE CONSERVATION FORCED UPON US THROUGH
WORLD OIL PRICES.

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OUR CONSUMERS AND OUR INDUSTRIES WILL PAY MORE AND MORE TO FOREIGN COUNTRIES -- AND WITH THOSE DOLLARS, WE WILL ALSO BE EXPORTING JOBS WHICH WE NEED HERE AT HOME.

IN PARIS AND IN BRUSSELS, OUR ALLIES EXPRESSED CONCERN OVER WHETHER WE CAN AND WILL ENACT STRONG NATIONAL ENERGY LEGISLATION.

IF OUR OWN ECONOMY IS NOT STRONG, IF OUR STRENGTH IS BEING SAPPED BY EXCESSIVE IMPORTS, WE CANNOT PROVIDE THE KIND OF LEADERSHIP AND STABILITY ON WHICH THE WESTERN DEMOCRACIES DEPEND FOR THEIR OWN ECONOMIC WELL-BEING.

THE UNITED STATES IS FACED WITH A LARGE TRADE DEFICIT. THIS HAS LED TO EXCHANGE MARKET DISORDERS AND EXCHANGE RATE SPECULATION.

IT IS CLEAR THAT OUR HEAVY DEPENDENCE ON IMPORTED OIL IS A MAIN PART OF OUR TRADE PROBLEM, AND THAT OUR FAILURE TO ADOPT AN ENERGY PROGRAM HAS BADLY WEAKENED CONFIDENCE IN OUR ABILITY TO DEAL WITH THAT PROBLEM.

ALMOST EVERY FOREIGN LEADER STRESSED THE IMPORTANCE OF OUR ENERGY PROGRAM IN TERMS OF OUR RESPONSIBILITIES FOR INTERNATIONAL MONETARY ORDER AND MAINTENANCE OF THE INTEGRITY OF THE DOLLAR.

WE ALL RECOGNIZE THAT WHILE THE ENERGY PROGRAM WILL NOT REDUCE OUR OIL IMPORTS OVERNIGHT, IT WILL REDUCE OUR DEPENDENCE ON FOREIGN IMPORTS OVER THE LONG PULL -- AND PERMANENTLY.

IT WILL IMPROVE OUR TRADE POSITION IN A FUNDAMENTAL WAY.

I BELIEVE WE DO HAVE THE RESOLVE AND THE NATIONAL WILL TO DEAL WITH THE ENERGY PROBLEM.

THE DEBATE HAS BEEN LONG AND ARDUOUS: IT HAS, AT TIMES,
TRIED OUR PATIENCE.

DELAY HAS DEFERRED ACTION ON OTHER NATIONAL PRIORITIES.

BUT WHEN WE SUCCEED, WE WILL HAVE ACCOMPLISHED SOMETHING
IN WHICH WE CAN TAKE PRIDE, NOT JUST HERE AT HOME, BUT BEFORE THE
OTHER NATIONS OF THE WORLD.

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